Product	Tax rate per pound [1] for removals during the years		
	1993 to 1999	2000 and 2001	2002 and after
Pipe tobacco	$0.675	$0.9567	$1.0969
Roll-your-own tobacco	No tax	0.9567	1.0969

[1] Prorate tax for fractions of a pound.

[T.D. ATF–420, 64 FR 71942, Dec. 22, 1999]

§41.31 Cigar tax rates.

(a) Cigars are taxed at the following rates under 26 U.S.C. 5701(a):

Product	Tax rate for removals during the years		
	1993 to 1999	2000 and 2001	2002 and after
Small cigars (per thousand)	$1.125	$1.594	$1.828
Large cigars [1]			
percentage of sale price	12.75%	18.063%	20.719%
but not to exceed per thousand	$30	$42.50	$48.75

[1] For large cigars, the percentage tax rate applies when the sale price is $235.294 per thousand or less, and the flat tax rate applies when the sale price is more than $235.294.

(b) See §41.39 of this part for rules concerning determination of sale price of large cigars.

(c) Cigars not exempt from tax under 26 U.S.C. chapter 52 and the provisions of this part which are removed but not intended for sale shall be taxed at the same rate as similar cigars removed for sale.

[T.D. ATF–420, 64 FR 71942, Dec. 22, 1999. Redesignated and amended by T.D. TTB–16, 69 FR 52424, 52425, Aug. 26, 2004]

§41.32 Cigarette tax rates.

Cigarettes are taxed at the following rates under 26 U.S.C. 5701(b):

Product	Tax rate per thousand for removals during the years		
	1993 to 1999	2000 and 2001	2002 and after
Small cigarettes	$12	$17	$19.50
Large cigarettes up to 6½″ long	25.20	35.70	40.95
Large cigarettes over 6½″ long	Use tax rates for small cigarettes, but count each 2¾ inches or fraction thereof of the length of each as one cigarette.		

[T.D. ATF–420, 64 FR 71943, Dec. 22, 1999]

§41.33 Smokeless tobacco tax rates.

Smokeless tobacco products are taxed at the following rates under 26 U.S.C. 5701(e):

Product	Tax rate per pound [1] for removals during the years		
	1993 to 1999	2000 or 2001	2002 and after
Snuff	$0.36	$0.51	$0.585

Product	Tax rate per pound [1] for removals during the years		
	1993 to 1999	2000 or 2001	2002 and after
Chewing tobacco	$0.12	$0.17	$0.195

[1] Prorate tax for fractions of a pound.

[T.D. ATF–420, 64 FR 71943, Dec. 22, 1999]

§ 41.34 Cigarette papers.

Cigarette papers are taxed at the following rates under 26 U.S.C. 5701(c):

Product	Tax rate for each 50 papers [1] for removals during the years		
	1993 to 1999 [2]	2000 or 2001	2002 and after
Cigarette papers up to 6½″ long	$0.0075	$0.0106	$0.0122
Cigarette papers over 6½″ long	Use rates above, but count each 2¾ inches, or fraction thereof, of the length of each as one cigarette paper.		

[1] Tax rate for less than 50 papers is the same. The tax is not prorated.
[2] Before January 1, 2000, books or sets containing 25 papers or less were not taxable. On and after January 1, 2000, all cigarette papers are taxable.

[T.D. ATF–420, 64 FR 71943, Dec. 22, 1999]

§ 41.35 Cigarette tubes.

Cigarette tubes are taxed at the following rates under 26 U.S.C. 5701(d):

Product	Tax rate for each 50 tubes [1] for removals during the years		
	1993 to 1999	2000 and 2001	2002 and after
Cigarette tubes up to 6½″ long	$0.015	$0.0213	$0.0244
Cigarette tubes over 6½″ long	Use rates above, but count each 2¾ inches, or fraction thereof, of the length of each as one cigarette tube.		

[1] Tax rate for less than 50 tubes is the same. The tax is not prorated.

[T.D. ATF–420, 64 FR 71943, Dec. 22, 1999]

CLASSIFICATION OF LARGE CIGARS AND CIGARETTES

§ 41.37 [Reserved]

§ 41.38 Cigarettes.

For internal revenue tax purposes, small cigarettes are designated Class A and large cigarettes are designated Class B.

(72 Stat. 1414; 26 U.S.C. 5701)

[26 FR 8191, Aug. 31, 1961. Redesignated at 40 FR 16835, Apr. 15, 1975]

§ 41.39 Determination of sale price of large cigars.

The tax imposed on large cigars is computed based on the sale price (the price for which the large cigars are sold by the importer or manufacturer). In addition to money, goods or services exchanged for cigars may be considered as part of the sale price. See § 40.22(b) of